22 September 1949

INTELLIGENCE MEMORANDUM NO. 219 (Revised)

SUBJECT: Soviet Intentions in Austria

Problem: To estimate Soviet capabilities and probable intentions for internal subversion or guerrilla warfare or both in Austria upon withdrawal of occupation forces in late 1950.

Assumptions: (1) Conclusion of treaty with Austria in Summer 1950.

(2) Operation of 90-day clause in withdrawal of occupation troops.

(3) Lack of trained Austrian Army.

## 1. Conclusions.

Although the ultimate Soviet objective in Austria is to gain political and economic control, it is not likely that the USSR intends to initiate widespread disorders, including guerrilla warfare, upon a withdrawal of occupation forces from Austria in late 1950. The USSR probably calculates that Soviet-satellite supported intrusions on Austrian sovereignty would be countered by strong Western action and would involve an undesired risk of war. Hence the USSR will, within its definitely limited capabilities, confine itself to the instigation of internal subversion.

Within Austria, the capability of the USSR to create major discreters in event of withdrawal is limited by the absence of any present Communist force which could constitute a serious threat to internal security; as to the future, the USSR does not appear to have propared a force which could be used when withdrawal had been accomplished. Assuming the Austrian security force had been provided with necessary equipment immediately following treaty ratification, it would be capable of maintaining internal security and of safeguarding Austria's frontiers except against extensive Sovietsatellite supported guerrilla warfare. Such warfare, on a large scale, could become a threat to Austrian internal security, but it is unlikely that the USSR will go to this extreme.

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this memorandum.

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Since native Austrian Communists lack popular support and have no prospects for occupying any police or ministerial positions which could be used to subvert the Austrian Government, they will remain no more than a muisance factor, exploiting economic and political issues as they arise.

In general, present Soviet strategy toward Austria appears to be based on economic considerations. The USR probably calculates that it can exert enough pressure on the Austrian Government through mometary claims and through ownership of substantial oil and shipping assets to insure Austrian neutrality in the "cold war." In addition, the USR probably anticipates that an economic crisis in the US will result in decreased Western support of the Austrian Government with consequent increased Soviet influence.

## 2. Discussion.

Present Soviet policy is apparently directed toward avoiding international incidents involving a risk of war, both because the USSR is not prepared to undertake a major war and because it probably believes that an economic crisis in the US will provide increased opportunities for achievement of Soviet objectives in Europe by political and economic means. In view of such a policy it seems unlikely that the USSR would deliberately initiate guerrilla warfare or widespread disorder in Austria upon withdrawal of occupation forces.

In eddition to the above consideration there are further deterrents to a program of large-scale assistance from the Soviet orbit to the Austrian Communists. Until the USSR had completed its consolidation of the European satellites and had been successful in its efforts to solve the difficulties created by Tito's defection, the Kremlin would not be likely to create another major problem by supporting an Austrian guerrilla movement. Such a program, norsover, while it would disrupt Austria's economic life, not only could not promise definitive political gains but would probably result in Soviet defeat and loss of prestign.

Soviet capabilities for inciting disorders would depend on the probable local Communist force that would exist. The Austrian Communist Party is unlikely to increase its membership by late 1950 over the present figure of approximately 150,000, and will probably have less. Of the total membership, perhaps as many as 40,000-50,000 might actively support a Communist program of subversive activity, including guarrilla mandare. The ability of this group to carry out such a program effectively would depend partly upon its training, equipment, and possible support from adjacent Soviet-controlled countries; and partly upon the Austrian force existing to combat it.



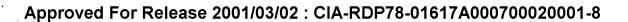
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To date, the USSR has not made a serious attempt to create an effective Communist force during its occupation of eastern Austria. There is at present in existence no local Communist force which could constitute a serious threat to internal security after occupation troops had been withdrawn. Soviet failure to organize an effective subversive force may be taken as a present indication of their intentions with respect to inciting Communist guerrilla warfare. Soviet economic holdings in eastern Austria will probably lend themselves only to limited subversive activity.

Upon troop withdrawal, furthermore, Austria would have a force of its own capable of maintaining security under normal circumstances, provided this force could obtain necessary equipment immediately following treaty ratification. According to draft-treaty terms, this force would not number over 53,000, including frontier guards and gendarmerie; and could be organized upon the coming into force of the treaty, but not before. Occupation troop withdrawal would be completed ninety days after the treaty became effective. Within these ninety days, the Austrians could create an effective security force of 30,000 if equipment for it were made immediately available. With such equipment, the Austrian forces could maintain internal security and guard the frontier against all but major encroschments.

This estimate takes into consideration not only the lack of a trained indigenous Communist opponent but also the fact that since July 1949, the Western Powers have been engaged (without publicity) in training and equipping a gendarmeric regiment in the western zones, this regiment to serve as a nucleus for the army. In addition to present gendarmeric strength (some 10,000 throughout Austria), Austrian police number about 17,000, of whom it is estimated that a negligible number would follow Communist direction after Soviet troop withdrawal. Finally, over 300,000 Austrians have had extensive military service, and roughly 95 percent of all Austrians are opposed to the Communist Party.

The actual extent of future Communist capabilities will depend on various factors, of which the most important are maintenance of reasonably satisfactory economic conditions and continued cooperation between the two major anti-Communist political parties in Austria. It is unlikely that the present highly unfavorable position of the Communist Party would be improved at the time of quadripartite withdrawal in late 1950.



Soviet strategy toward Austria after the treaty is implemented appears likely to be based on economic considerations. The treaty probably will award the USSR considerable economic influence through control of substantial portions of oil and shipping assets, exploitation of which will detract from Austrian economic potential and help achieve effective Soviet control of Damube shipping. The USSR probably considers that Austria's anticipated difficulty in meeting the payment of \$150 million to the USSR, coupled with the need for continuing Austrian efforts to effect recovery and insure economic viability, will neutralize any prospects for Austria to play an effective role in Western European economic and defensive planning for some time. Meanwhile, the USSR will seek to direct Austria's industrial production and transport facilities to the benefit of the Soviet bloc. The USSR will also attempt to continue using Austria as a middlemen for illicit East-lest trade.

For the short term, the USSR probably recognizes that it will not be capable of integrating Austria into the Eastern Hoc by any means except the application of physical force. Economic pressure will be its most effective weapon but is unlikely to be decisive for the short term. However, inasmuch as Austria will require US support and assistance, the USSR probably anticipates that Austria, as a result of the long-awaited US "depression," will eventually be left to its own devices to resolve grave economic problems, including obligations to the USSR. In that event, Soviet pressure on the Austrian Government and increasing influence in the economic affairs of the country might be decisive.